

Ruffer Total Return International

Positive returns with low volatility



I class April 2020 Issue 106

During April, the fund price rose by 5.9%. This compared with a rise of 5.0% in the FTSE All-Share Index and an increase of 1.5% in the FTSE Govt All Stocks Index (all figures total returns in sterling).

April was very much the yang to March's yin, with the US stock market moving from the fastest fall since the Great Depression (in March) to the largest monthly rise since 1987. Following the significant pivot in portfolio positioning in the second half of March the portfolio was able to capture much of the available upside (it is the fourth highest monthly return in the fund's nine year history), whilst remaining appropriately defensively positioned.

Gold and gold mining equities (+2.9%) accounted for nearly half of the portfolio's return. We topped up this area in mid-March as various levered retail gold miner exchange-traded funds (ETFs) imploded, leaving attractive stock prices in their wake. The miners have rebounded strongly and indeed one of the names we added to, Newmont Corp, is the best performing company in the S&P 500 so far this year, handsomely outperforming the 'FANG' names (Facebook, Amazon, Netflix, Google) that are for now the market darlings. The next largest contributor was inflation-linked bonds (+2.0%), as long-dated bond yields continued to be squashed down by the largest central bank buying programmes ever seen, followed closely by the equity allocation as a whole (+2.0%). On the other side of the ledger were the unconventional portfolio protections (-1.0%): after we took significant profits in March, these provided a lesser headwind to performance.

Where next for markets? Liquidity argues for higher prices, while economic fundamentals argue for lower prices. On the one hand, the veritable torrent of monetary and fiscal stimulus squeezes stocks and bonds higher; on the other, all the money one saves by being locked at home represents all of someone else's lost revenues. For now the balance appears to be in favour of price appreciation; we would only caution that if markets run significantly higher, politicians and central bankers may be faced with the exceptionally toxic combination of both stock markets and unemployment at record highs, and it is likely that they will amend or withdraw accommodative market policy in favour of policies that benefit workers rather than corporates.

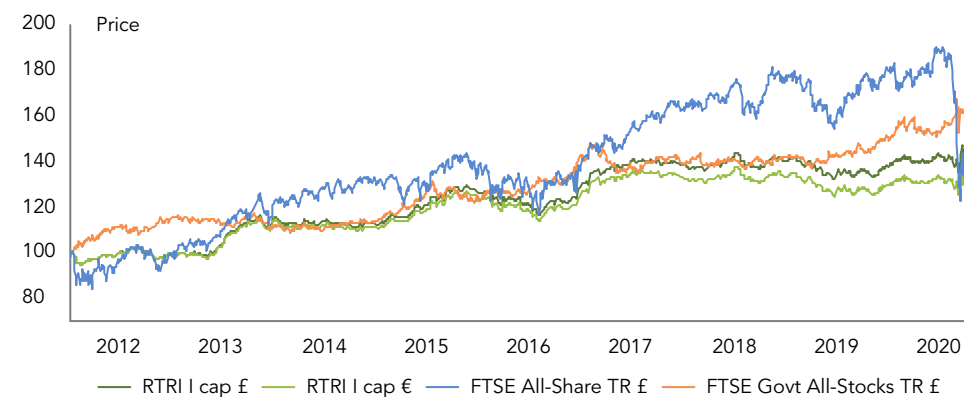
Reflecting this and other concerns, we have over the last six weeks added more yen to the protective armoury. A number of factors argue for yen strength, and this appreciation would be turbo-charged if further distress or defaults were seen in the US corporate credit market, as Japanese investors repatriate their significant investments there. Worldwide, it is the currency that looks most like gold and is therefore deserving of a significant allocation.

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Investment objective

The investment objective of Ruffer Total Return International ('the fund') is to achieve positive returns with low volatility from an actively managed portfolio. The fund may have exposure to the following asset classes: cash, debt securities of any type (including government and corporate debt), equities and equity related securities and commodities (including precious metals). Pervading this objective is a fundamental philosophy of capital preservation.

Performance since fund launch on 14 July 2011



Performance %	April 2020	Year to date	1 year	3 years	5 years
I GBP capitalisation shares	5.9	4.1	9.9	6.6	16.3

Percentage growth (I GBP cap)	%	Share price as at 30 April 2020
31 Mar 2019 – 31 Mar 2020	3.8	I EUR capitalisation 138.88
31 Mar 2018 – 31 Mar 2019	-1.6	I CHF capitalisation 133.34
31 Mar 2017 – 31 Mar 2018	-1.4	I USD capitalisation 154.29
31 Mar 2016 – 31 Mar 2017	13.7	I GBP distribution 145.61
31 Mar 2015 – 31 Mar 2016	-2.8	I SEK capitalisation 140.70
		I USD distribution 151.25
		I CAD capitalisation 125.06
		I SGD capitalisation 124.84

Source: Ruffer LLP, FTSE International (FTSE) †

Ruffer performance is shown after deduction of all fees and management charges, and on the basis of income being reinvested. Past performance is not a guide to future performance. The value of the shares and the income from them can go down as well as up and you may not get back the full amount originally invested. The value of overseas investments will be influenced by the rate of exchange.

Ruffer Total Return International as at 30 Apr 2020

Asset allocation



Asset allocation %

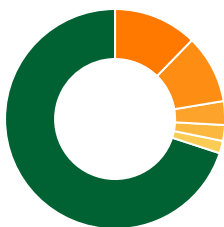
● Non-UK index-linked	24.1
● Illiquid strategies and options	14.5
● Gold and gold equities	10.1
● Long-dated index-linked gilts	9.5
● Short-dated bonds	8.4
● Cash	2.6
● Index-linked gilts	1.6

● UK equities	8.9
● Japan equities	7.8
● North America equities	7.7
● Europe equities	3.5
● Asia ex-Japan equities	1.3

Currency allocation %

● Sterling	70.1
● Yen	12.3
● Gold	10.1
● US dollar	3.4
● Euro	1.7
● Other	2.4

Currency allocation



10 largest equity holdings*

Stock	% of fund
Lloyds Banking Group	2.4
Fujitsu	1.6
Cigna Corporation	1.5
Royal Bank of Scotland	1.2
Hennes & Mauritz	1.1
iShares Physical Gold	1.1
Newmont Mining	1.1
Tesco	1.1
Kinross Gold	1.1
Synchrony Financial	1.1

5 largest of bond holdings

Stock	% of fund
UK Treasury index-linked 0.125% 2068	5.9
UK Treasury index-linked 1.5% 2021	5.5
US Treasury 0.25% TIPS 2050	4.2
US Treasury 0.875% TIPS 2029	3.6
UK Treasury index-linked 0.375% 2062	3.5

*Excludes holdings in pooled funds
Source: Ruffer LLP.
Pie chart totals may not equal 100 due to rounding.

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The fund data displayed is designed only to provide summary information and the report does not explain the risks involved in investing in the fund. Any decision to invest must be based solely on the information contained in the Prospectus, Key Investor Information Document and the latest report and accounts.

Fund size **£1,847.6m**

Fund information

	%
Ongoing Charges Figure	0.93
Maximum annual management fee (I class)	1.0
Maximum subscription fee	5.0
Minimum investment (or equivalent in other currency)	£25m
Record date	Third Monday of November
Ex dividend dates	Next NAV following the record date
Payment	Within five business days after ex dividend date

Dealing	Weekly, every Wednesday (if not a business day, on the following business day) Plus on the first business day of each month
Cut off	4pm Luxembourg time on the day before valuation day (so typically Tuesday and the penultimate business day of the month)

ISIN and SEDOL	EUR	I cap	LU0638558394	B4LVH08
	CHF	I cap	LU0638558477	B4QLM86
	USD	I cap	LU0638558550	B4L04N7
	GBP	I dis	LU0779209195	B8BHYH0
	SEK	I cap	LU0923103534	B94R6P6
	USD	I dis	LU0955560437	BCDYZK7
	CAD	I cap	LU1296766634	BYSW6J6
	SGD	I cap	LU1400661093	BD2YGL3
	AUD	I cap	LU1534125882	BDRKVG6

Structure Sub-fund of Ruffer SICAV, a Luxembourg domiciled UCITS SICAV

Management company, administrative agent, registrar and transfer agent, paying and domiciliary agent FundPartner Solutions (Europe) S.A.

Investment manager Ruffer LLP

Depository bank Pictet & Cie (Europe) S.A.

Auditors Ernst & Young S.A.

The base currency of the fund is GBP. Share classes denominated in other currencies are hedged to reduce the impact on your investment of movements in the exchange rate between the base currency of the fund (GBP) and the currency of the share class.

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Fund Managers

Jacques Hirsch

INVESTMENT DIRECTOR

Joined Ruffer in 2011, previous work included fund management and macro research at Goldman Sachs, GLG Partners and Fulcrum Asset Management. Graduated from École Centrale Paris in 1999, and holds an MSc in Mathematics from Oxford University.



Alex Lennard

INVESTMENT DIRECTOR

Joined Ruffer in 2006 after graduating from Exeter University with an honours degree in economics and finance; he is a member of the Chartered Institute for Securities & Investment.



Ruffer LLP

Ruffer LLP manages investments on a discretionary basis for private clients, trusts, charities and pension funds. As at 31 March 2020, assets managed by the Ruffer Group exceeded £19.1bn.

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